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TAGS: [PREL](#) [PGOV](#) [ECON](#) [EPET](#) [IZ](#) [IR](#)  
SUBJECT: U/S BURNS' MEETING WITH IRAQI VICE PRESIDENT ABDEL  
MAHDI

Classified by DCM Patricia Butenis for reasons 1.4 (b) and  
(d).

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Summary  
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¶1. (C) During their May 12 meeting, Vice President Abdel Mahdi sought from U/S Burns reassurance of U.S. commitment to remain engaged in Iraq, even if security conditions deteriorated. U/S Burns underlined that the U.S. would honor its commitments, but is looking to the GOI to commit to developing non-sectarian institutions. Abdel Mahdi was equivocal on the question of whether the upcoming national elections should feature an open or closed list ballot. The Vice President admitted he was gloomy about Iraq's economic prospects, though he agreed with U/S Burns that downturns sometimes create opportunities for structural change. Abdel Mahdi thought the UNAMI reports on disputed internal boundaries were objective, and thought Kurdish claims in Ninewa more problematic than those in Kirkuk. Abdel Mahdi thought the Iranians were ready for serious dialogue with the U.S. - after their upcoming presidential elections. The Vice President also believed Syria was beginning to recognize its interest in improved economic ties with Iraq. End summary.

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U.S. Committed but Wants to See Institutional Development  
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¶2. (C) Welcoming U/S Burns to Baghdad, Vice President Abdel Mahdi asked about President Obama's approach to U.S. engagement in Iraq. The President's message has been clear: We will honor U.S. commitments in Iraq, U/S Burns underlined. Even if the security situation deteriorates, the Vice President asked? We expect challenges to continue, U/S Burns responded. What the U.S. is looking for is an Iraqi commitment to do its part, especially to develop non-sectarian institutions. Over time, the GOI must move beyond its understandable focus on security to develop viable political and economic institutions, U/S Burns added. Touching briefly on the upcoming national elections, U/S Burns asked about the debate among Iraqi politicians on an open versus closed list ballot. Shifting in his seat, Abdel Mahdi said that many senior politicians preferred a closed list, although "the trend is for open."

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Economic Challenges and Opportunity  
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¶3. (C) Abdel Mahdi observed that he would soon attend the World Economic Forum's annual conference at the Dead Sea, Jordan. Abdel Mahdi remarked that while Iraq was making progress on the political front, the country's economic outlook seemed particularly bleak. U/S Burns opined that sometime economic downturns present opportunities for structural transformation and observed that passage of the hydrocarbon law could attract investment. Abdel Mahdi agreed, commenting that Iraq needed to break its dependence

on oil revenues and diversify. To achieve this, major investments will be necessary. A major project to overhaul Basra's port, for example, could create a positive ripple effect across many sectors.

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Disputed Internal Boundaries  
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¶4. (C) Abdel Mahdi believed the UNAMI reports on Iraq's Disputed Internal Boundaries were objective. The Kurds were digesting the reports. It was very important that the Kurds had not rejected the reports outright, he added. The Vice President assessed that the disputed areas in Ninewa province were actually more sensitive and difficult than Kirkuk. Abdel Mahdi believed that the Kurds were making a mistake by asserting historic rights in Ninewa. If we open this door, we can expect claims by Assyrians, Persians, and others, he said.

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Iran  
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¶5. (C) U/S Burns asked the Vice President for his views on the state of play in Iran. Dialogue between the U.S. and Iran will be important for the entire region, Abdel Mahdi added, some Arab countries might be uncomfortable with this, but this was shortsighted. U/S Burns noted that President Obama has signaled a new tone and attitude but wondered whether the Iranians were ready for the give and take of serious dialogue. The Vice President replied that he was in

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Tehran two weeks ago and he believed the Iranians were taking the new U.S. messages seriously.

¶6. (C) Progress was unlikely before the elections in June, he added. Abdel Mahdi said that presidential candidate Hussein Moussavi has a good chance to defeat Ahmadinejad but the Supreme Leader will not openly express a preference. Moussavi's election would be a constructive step forward. U/S Burns observed that the nuclear issue was extremely complicated, but the U.S. and Iran might be able to find early common ground on Afghanistan. Abdel Mahdi agreed that some progress is possible and observed that sometimes hardline leaders are best positioned to make historic shifts.

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Iraq - Arab Relations  
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¶7. (C) U/S Burns also sought the Vice President's views on Iraq's current relations with Syria and other Arab states. Abdel Mahdi noted that there had recently been a procession of constructive high-level Syrian visits to Baghdad. This boded well, and suggested the Syrians were beginning to realize their strong economic interest in improved ties with Iraq. Some foreign fighters are still crossing the Syrian border, but fewer than before, he added. Ties with Gulf countries and Egypt were still improving, but Saudi Arabia was a hold out, the Vice President stated.

¶8. (U) U/S Burns has cleared this message.

HILL